Saskatchewan
Tourism and
Small Business

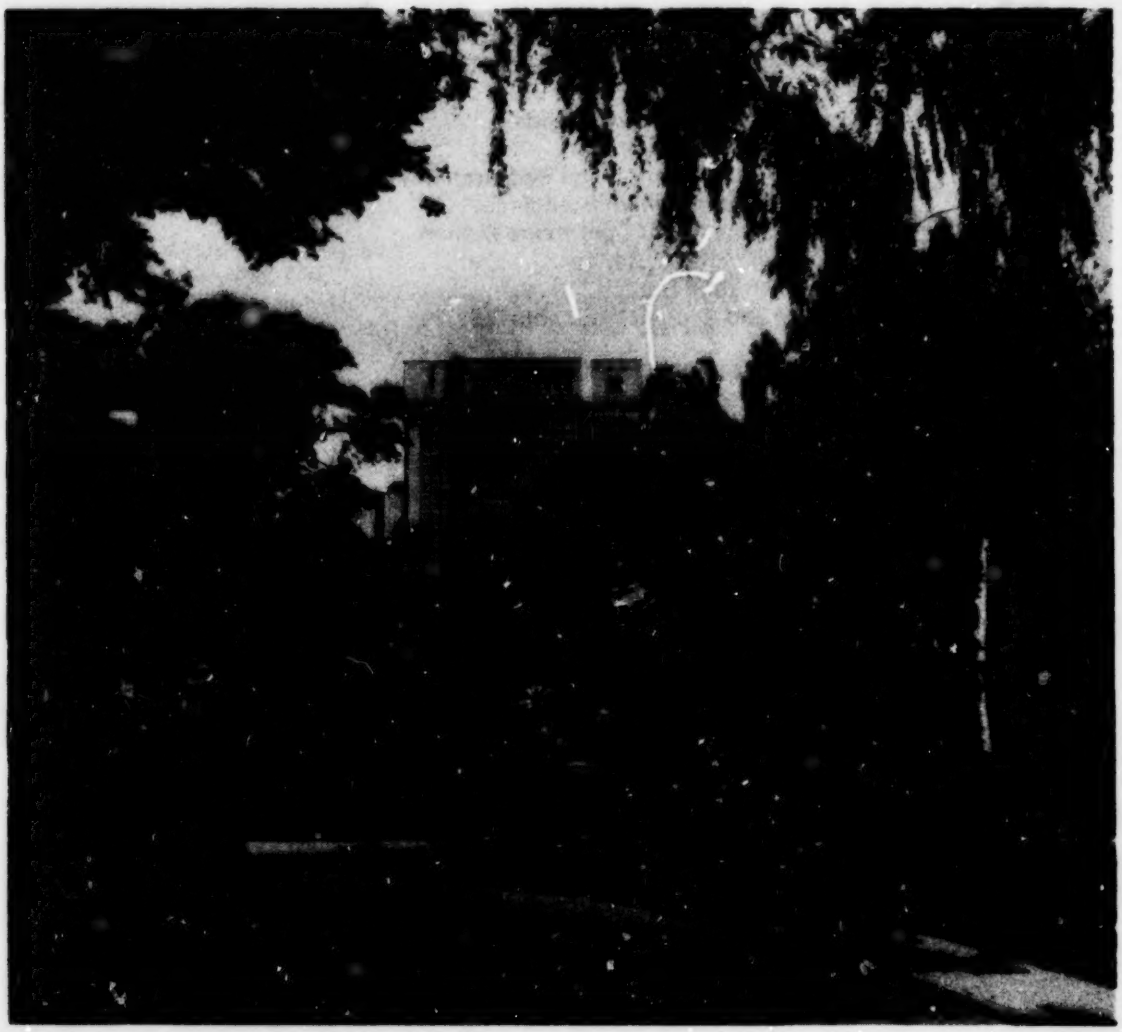
Annual Report
1983-84

Saskatchewan
Tourism and
Small Business

85-1788/

Saskatchewan
Tourism and
Small Business

Annual Report 1983/84



Contents

Minister's Transmittal 1
Deputy Minister's Transmittal 2
Organization Chart 3
The New Department: An Introduction 4
Saskatchewan Tourism and Small Business Mandate 5
Tourism Objectives 6
Small Business Objectives 6
Branch Roles and Responsibilities 7
Community Economic Development Branch 8
Northern Business Development Branch 8
Marketing Benefits Branch 9
Program Management Branch 9
Regional Services Branch 10
Business Information and Research Branch 10
Tourism Development Branch 11
Tourism Marketing Operations Branch 11
Communications Branch 12
Administration Branch 12
Activities and Accomplishments 13
Tourism 14
Small Business 17
Administration 22
Tables 23
Table 1 — Management Development Program 23
Table 2 — Northern Revolving Fund 23
Table 3 — Special ARDA Program 23
Table 4 — Small Industry Development Program 23
Table 5 — Product Development Program 24
Table 6 — Small Business Interest Abatement Program 24
Table 7 — Main Street Development Program 24
Financial Statement 25

Minister's Transmittal

To the Honourable F. W. Johnson
Lieutenant-Governor of the
Province of Saskatchewan

Sir:

I have the honour to submit the first Annual Report for the Department of Tourism and Small Business.

Legislation was passed May 16, 1983 to create the new Department of Tourism and Small Business. The government, in creating this department, recognizes the significant contribution made to the provincial economy by the small business sector and the tourism industry. The government is committed to creating stability and growth in these sectors, and to responding to private sector needs through the advocacy role of my department.

The department's first year can be described as one of intense planning, organizing and developing of new initiatives designed to stimulate growth and stability in the economy and to increase job opportunities in Saskatchewan. Several new programs were implemented in 1983/84 with a number designed for implementation during 1984/85.

This year marked a significantly new direction taken by the government in tourism development. A Tourism Development Policy which provides for the sale of Crown land for four-season destination resort development was introduced. In addition, private sector investment in provincial parks was encouraged.

A new Tourism Marketing Assistance Program was introduced. The goal of the program is to increase travel to and within Saskatchewan through support of tourism marketing initiatives undertaken by Saskatchewan non-profit organizations.

Two new business programs were also introduced. The Small Business Employment Program, announced in the Budget Speech, created approximately 2,780 jobs in 1,370 firms. This program was a short-term program developed to stimulate job creation and to assist firms feeling the pressures of a slowdown in the economy.

The Management Assistance Program was introduced and delivered to 235 businesses in 10 communities during the year. It provides private sector management consulting services to help businesses and industries improve their operations.

In January, the Marketing Benefits Program was introduced to help Saskatchewan's manufacturers and suppliers increase their sales opportunities, and thereby begin to reverse the trend of buying imports. A new branch of the department was established to promote the benefits of buying Saskatchewan-made goods and to increase the markets for these goods and services within the province.

Also in January, the department absorbed responsibility for northern business development from the former Department of Northern Saskatchewan. This has resulted in a greater emphasis on the development of business within northern communities as well as a more co-ordinated approach to tourism development.

These, sir, are highlights of a very active year for the new department.

Respectfully,

Jack C. Klein
Minister
Saskatchewan Tourism and Small Business

Deputy Minister's Transmittal

To the Honourable Jack C. Klein
Minister of Saskatchewan Tourism
and Small Business

Sir:

I respectfully submit this Annual Report for the year ending March 31, 1984.

In the past year, significant effort was devoted to the development of a dynamic organization capable of delivering the mandate of our newly created department.

Programs and responsibilities inherited from the former Departments of Tourism and Renewable Resources and Industry and Commerce, as well as the addition of new programs, necessitated a comprehensive organizational review. The result was the development of a two-division structure - tourism and small business - with close linkages between the divisions, particularly in the areas of communications, business information and research and tourism development. This new structure was announced in November.

As a newly created department, considerable time and energy was expended in consulting with the business community, discussing its problems and jointly developing solutions to those problems. A number of the new programs developed were a direct result of this consultation process.

In addition, the role and mandate of the department were presented to business people and groups throughout the province. Publicity was developed to increase public and target group understanding of the programs and services of the new department, and to attract participation in the newly developed programs. Plans were also developed for a department newsletter to keep the province's business, industry and tourism communities informed of the policies and activities of the new department.

Although organizational development, consultation with business, and new program development were major activities, significant developments occurred in other areas.

To make our services to the business community more accessible throughout the province, a concept of high profile store-front Business Resource Centres was developed. These centres will enhance the services of our regional offices and are expected to open starting in the fall of 1984.

In the tourism sector, the development of a comprehensive tourism strategy for the province was initiated. This strategy will be reviewed by the Saskatchewan tourism industry prior to the development of government policy. The department was also an active participant, along with the federal Department of Regional Industrial Expansion, in the preparation of a Federal/Provincial Tourism Industry Subsidiary Agreement.

A tourism marketing plan was produced which identified target markets for increased travel to Saskatchewan and outlined the advertising and direct sales activities to be undertaken in the following year.

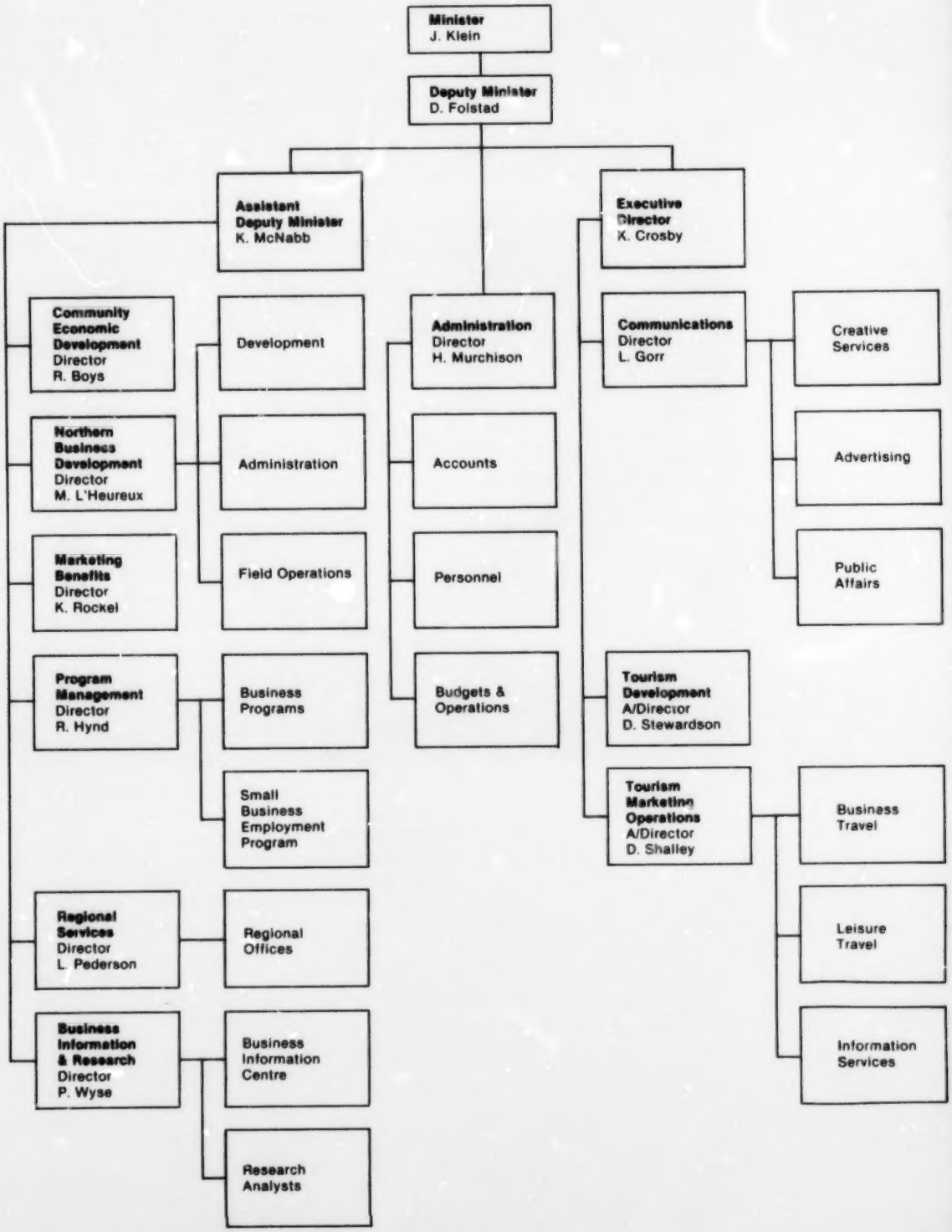
The Community Economic Development Program was expanded during the year from 11 communities to 31. By year-end, more than 25 new businesses and services had been attracted to these communities with a similar amount being negotiated.

In conclusion, despite the fact that it was very much a year of change and transition, it has been a very productive year for the department. Our staff are to be commended for their co-operation, enthusiasm and high quality of public service.

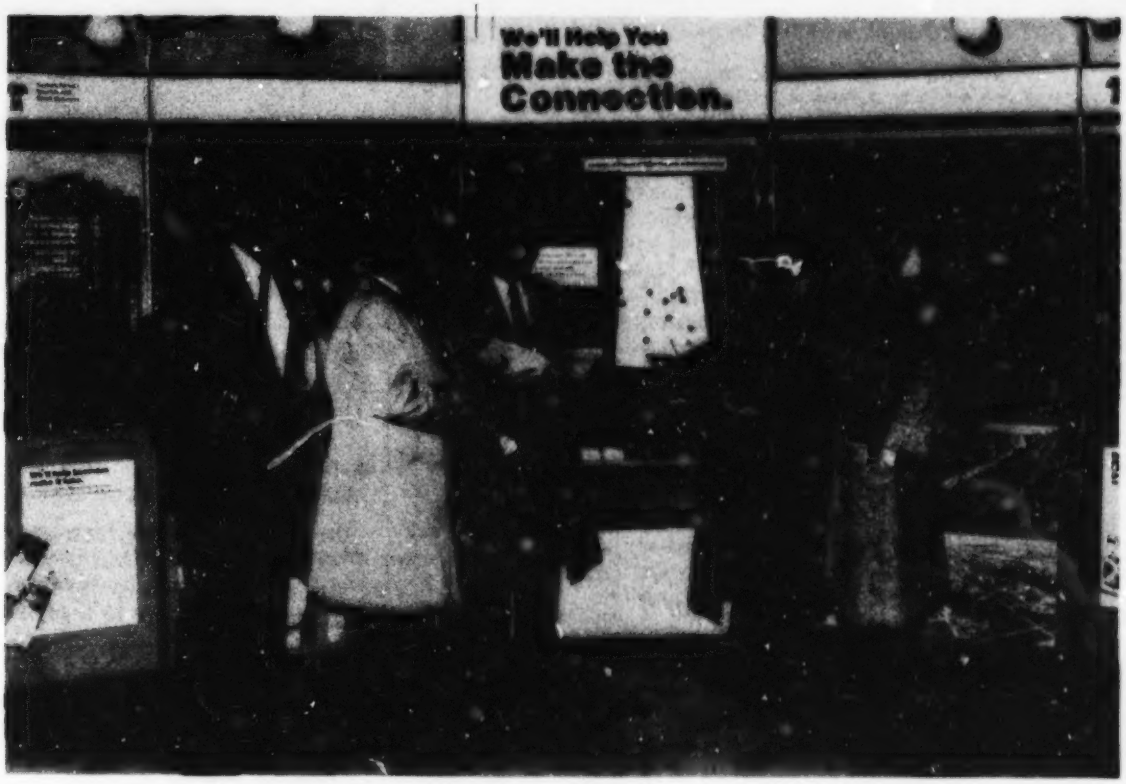
Respectfully submitted,

D. Folstad

Organization Chart



The New Department: An Introduction



The creation of a new department of government involves considerable co-ordination in clarifying its mandate and objectives within the governmental framework, and the roles and responsibilities within the context of the department itself.

Because the mandate and structure of Tourism and Small Business are new, what follows is an in-depth outline of the department, including its mandate, objectives, and branch roles and responsibilities within the two major divisions of tourism and small business.

Although structured as separate divisions within the department, because tourism is one sector of business, there is considerable integration of activities between the tourism and small business divisions. The review of activities and accomplishments for the year follows this introductory section.

Saskatchewan Tourism and Small Business Mandate

The mandate of Saskatchewan Tourism and Small Business is:

a) To encourage and support the stability and growth of the private sector in Saskatchewan;

b) To decrease the balance of payments deficit attributed to the travel industry;

c) To ensure that a mechanism is available for the needs and interests of tourism and small business to be communicated to the provincial government and that government policies and programs are clearly communicated to the business community.

Tourism Objectives

The department has identified five major objectives pertaining to developing and marketing Saskatchewan's tourism product effectively. They are:

1. To provide the travel industry and consumer with a positive image of the province as a desirable vacation destination;
2. To support private sector marketing and development initiatives;
3. To ensure that a good quality, competitive Saskatchewan vacation product is available for sale in the marketplace;
4. To ensure that adequate data exists which will improve decision-making in marketing and tourism development;
5. To upgrade the level of service and management/employee attitude within the hospitality industry.

Small Business Objectives

Seven objectives have been outlined for the department to provide effective development and support to small business and for it to function as a business advocate to government. They are:

1. To ensure that concerns of small business are identified and acted upon by the government;
2. To provide research data and information pertinent to small business development;
3. To ensure that small businesses have access to managment expertise and other resources required to maximize their potential;
4. To contribute to creation of a favourable environment which will ensure the maintenance, growth and diversification of business in small communities;
5. To ensure that indigenous firms have equal opportunities to participate in the business of the province;
6. To increase sales of Saskatchewan goods and services within the province with emphasis on the public sector market, markets related to major projects, and consumer markets currently provided through imports;
7. To support economic development at the community level.

Branch Roles and Responsibilities

Community Economic Development Branch

The Community Economic Development Branch is responsible for the stimulation of new and/or expanded economic and business activity in smaller communities throughout Saskatchewan. Working with volunteer development committees, branch personnel assist communities to undertake an organized economic development program. This includes organization assistance, training, professional advice, developing community profiles and identifying and promoting business opportunities in these communities.

The branch annually publishes profiles of all urban municipalities in the province with a population over 500. It is also the lead agency in the department for review of proposals from potential immigrant entrepreneurs.

The branch continued to provide financial and advisory support to the Northwest Economic Development Council, a body assisting communities to capitalize to the greatest extent possible on the pending development of the heavy oil resource in the area.

Northern Business Development Branch

The Northern Business Development Branch, formerly the Economic Development Branch of the former Department of Northern Saskatchewan, joined Tourism and Small Business on January 1, 1984. The purpose of the branch is to support and encourage economic development in northern Saskatchewan by initiating small business projects and indentifying and encouraging opportunities for participation of northern Saskatchewan residents. The branch consists of three units: Field Operations, Business Development and Administration.

Field Operations

The Field Operations Unit with offices located in La Ronge, Buffalo Narrows and Creighton, provides assistance to the northern business community in the areas of financial proposal development, business and management counselling and ongoing business support using existing provincial and federal programs.

The unit promotes tourism development in the north and provides advice to outfitters and potential resort developers.

Support and assistance are provided to primary producers including commercial development in agriculture, fishing, trapping and wild rice. Increased diversification of the northern economy into the manufacturing and processing sector is also encouraged.

Business Development

The Business Development Unit works to develop existing and possible industries in the north, such as wild rice and hardwood manufacturing respectively.

It is responsible for evaluation of loan and grant proposals for funding through the Special ARDA Grant Program and works closely with the Program Management Branch, which administers the Northern Revolving Loan Fund, in reviewing and evaluating various projects suitable for financial support.

Administration

The La Ronge Administration Unit provides services to the Business Development and Field Operations Units.

Marketing Benefits Branch

The Marketing Benefits Branch was established in January, 1984 with the mandate to increase sales opportunities in the provincial market for Saskatchewan manufacturers and suppliers. The program encourages import replacement initiatives and the purchase of Saskatchewan-made products by Saskatchewan consumers.

The branch has extensive direct contact with procurement officers in public and private sector organizations and with Saskatchewan manufacturers, processors, service firms, professional services and distributors to identify opportunities and facilitate problem-solving.

Information is provided on Saskatchewan goods, services and companies, and promotion is undertaken to increase awareness of the benefits of buying these goods and services.

The branch also provides counselling and information on marketing techniques and organizing consortia.

Program Management Branch

The Program Management Branch plays a multi-faceted role in the department in the administration of small business programs. The branch co-ordinates its activities with the Regional Services, Northern Business Development and Administration Branches to ensure effective management of these programs within established government policies and fiscal guidelines.

Among its functions, the branch manages the processing of applications under the various programs. It prepares agreements and/or contracts under most programs to ensure adequacy of regulation, intent and amount, and ensure follow-up procedures are in place. Audits for all program commitments are also prepared.

Initial reports for possible new programs concerning new business initiatives are prepared by the branch.

New and continuing programs administered by the Program Management Branch include the Small Business Employment Program, Product Development Management Program, Management Development Program, Commerce Student Consulting Program, Special ARDA and the Northern Revolving Fund.

Regional Services Branch

Through the Regional Services Branch, business information and advisory services are delivered to the business community throughout the province.

The nine regional offices located in Estevan, North Battleford, Prince Albert, Regina, Saskatoon, Swift Current, Yorkton, Tisdale and Moose Jaw also provide information on all government programs in support of business.

Regional business representatives function as business generalists to clients throughout their regions. They provide a wide variety of services such as business counselling to those starting a new business, expanding an existing business or facing a specific business problem. Business information is made available including sources of financing, market statistics and business ratios. The representative may also assist in the development of a project by helping the client prepare his information prior to applying for financing or government assistance.

The branch also organizes the delivery of the Management Assistance Program through chambers of commerce.

Business Information and Research Branch

The Business Information and Research Branch was established in December as a result of the reorganization of the Policy and Planning Branch of the former Department of Industry and Commerce and a reallocation of the resources between the Department of Economic Development and Trade and Tourism and Small Business.

The branch performs three basic functions including the provision of business information to the business community; the improvement of that part of the small business environment which involves government rules, regulations, programs and services by serving as an advocate of the interests of small business within the government decision-making process; and, thirdly dealing with private sector requests for funding and developing new funding programs when required.

The branch performs its tasks through two sections: the Business Information Centre, consisting of an extensive library of small business and tourism-related resource materials, and the Research Unit, which provides statistical support to the tourism and small business sectors and reviews government regulations and programs on behalf of these sectors.

Tourism Development Branch

It is the role of the Tourism Development Branch to stimulate and enhance economic growth within the province's tourism industry and to ensure that a competitive product of high quality is available in the marketplace.

To achieve maximum benefits from tourism, it is necessary to stimulate private sector development of viable tourism-related facilities, services and attractions in Saskatchewan and ensure that such development is supported through adequate marketing and planning activities.

The Tourism Development Branch is involved in developing a tourism strategy for the province, maintaining an up-to-date tourism data base, reviewing tourism development proposals, improving hospitality in the service sector and preparing a Federal/Provincial Tourism Industry Subsidiary Agreement.

Tourism Marketing Operations Branch

The Tourism Marketing Operations Branch was established in December to market Saskatchewan tourism and recreation opportunities to both residents and non-residents. It is responsible for planning, developing and implementing tourism marketing strategies and programs and for providing Saskatchewan travel information to the public and to the travel industry through its three sections: Leisure Travel, Business Travel and Travel Information Services.

Leisure Travel

The two primary objectives of the Leisure Travel Unit are to increase the number of visitors and their length of stay in Saskatchewan from the best potential markets. Private sector marketing initiatives with these objectives are supported as well. Two major product areas are stressed:

General Touring - Marketing and direct sales activities directed to the touring and vacation travelling public are undertaken to improve Saskatchewan's image as a destination area by raising awareness of its vacation opportunities.

Adventure Travel - Direct sales and marketing activities are employed to increase fishing enthusiast and adventure-seeking visitor traffic to Saskatchewan. Saskatchewan adventure tour packages are promoted in the marketplace and opportunities developed for inclusion in tour wholesaler programs in selected marketplaces.

Business Travel

The Business Travel Unit was established in December to attract a greater number of conventions and meetings to Saskatchewan as well as increase incentive travel business.

Travel Information Services

Travel Information Services is responsible for providing information through Tourism Saskatchewan to written, telephone and personal inquiries related to travel in Saskatchewan. The unit maintains a computerized information system to facilitate a comprehensive collection and delivery of timely data on tourism services, events, attractions, and facilities in the province.

Communications Branch

The Communications Branch prepares, implements and evaluates the annual communications plan for all tourism and small business programs of the department. It functions, together with the Tourism Marketing Operations Branch, to prepare, implement and evaluate the annual tourism marketing plan. The branch is divided into three sections: Advertising, Creative Services and Public Affairs.

Advertising

The Advertising Unit is responsible for developing, implementing and evaluating the department's annual advertising plans and strategies. It assesses all branch requirements and formulates the annual plans and budget allocations with branch directors. It also recommends and arranges for market research required for campaign delivery.

Creative Services

The Creative Services Unit is responsible for the budgetary control, conceptual planning, creative development and quality control of all print, display and audio-visual materials used for public and departmental information and promotional programs. The unit is also responsible for developing and maintaining a library of audio-visual and print-related materials, as well as co-ordinating the acquisition, use and maintenance of audio-visual equipment. The Creative Services Unit consults with branches to identify and priorize their creative needs and to determine appropriate budget allocations.

Public Affairs

The Public Affairs Unit is responsible for developing public understanding of department programs and activities through the co-ordination of publicity activities and the preparation and distribution of information. The unit prepares news releases and feature articles for distribution to the media; organizes media interviews involving the minister and department officials; and handles all inquiries from the media.

The unit also prepares and distributes feature articles and tourism news releases both within and outside the province, organizes media familiarization tours for writers from consumer and travel trade publications, and organizes the publicity component of tourism direct selling activities.

Administration Branch

The Administration Branch was initially part of Economic Development and Trade, but was transferred to Tourism and Small Business on December 1, 1983.

The Administration Branch is responsible for co-ordination of departmental administrative processes and the provision of support services to other branches in the areas of budgeting, accounting, property acquisition and control, space accommodation, personnel management and co-ordination of systems development.

It is the role of the branch to act as a liaison between the department program branches and the government central agencies, ensuring that resource needs are met while complying with government and departmental policy and procedural guidelines.

Activities and Accomplishments

Tourism

Saskatchewan Tourism Strategy

During the year, the department and the federal Department of Regional Industrial Expansion (DRIE) were involved in the development of a comprehensive tourism strategy for Saskatchewan. The strategy will identify major opportunities and constraints which will guide long-term tourism development in the province. Various sectors of the travel industry will review the strategy before formal adoption by Government. A government policy document will be developed.

Tourism Development Policy

A new policy which makes Crown Land available for the development of private-sector four-season destination resorts in Saskatchewan was introduced. Resort proposals are reviewed by the Interdepartmental Co-ordinating Committee on Tourism which co-ordinates government response to tourism investors/developers and expedites the approval process.

Three multi-season resort complexes were reviewed by March 31 for a total investment of $12 million. All three are in various stages of development.

Tourism Development Proposals

Through the Private Sector Investment Committee and in co-operation with the Department of Parks and Renewable Resources, a total of 63 proposals for private sector development in Saskatchewan provincial parks were reviewed. Seventeen are now in operation as well as one was under construction by the end of the fiscal year. In its initial year, the program involved approximately $360,000 in private sector capital investment.

Close to 90 tourism development proposals were reviewed and received technical assistance and/or feasibility evaluation. Approximately six projects are underway with several others undergoing detailed planning and analysis.

Tourism Research

The department maintains a continuous program of data gathering, market analyses and preparation of tourism statistics and investment indicators. Six market opportunity studies were undertaken including commercial resorts at Elbow Harbour on Lake Diefenbaker, Redberry Lake and Candle Lake; accommodation/food services at Cypress Hills and Meadow Lake Provincial Parks and a ski hill/golf course at Makwa Lake.

Four statistical studies, cost-shared with the federal government, were also undertaken, including the Saskatchewan Tourism Development Strategy, the Events Impact Study; Resident Household Survey and Out-of-Province Market Studies. A Hotel/Motel Occupancy Study was also undertaken, solely by the department. The research and resulting data provided the basis for development of a comprehensive tourism marketing plan.

Hospitality Training

The Saskatchewan Host Program was developed during the year as a pilot project. It involves a three-hour seminar designed for front-line travel industry employees to improve hospitality services to the travelling public. The program will be sponsored jointly by industry, communities and the department. Twelve communities throughout the province are targeted to hold Saskatchewan Host seminars in May and June, 1984.

Tourism Marketing Plan

A comprehensive Tourism Marketing Plan was prepared during the year and introduced to the travel industry in spring, 1984. The plan established measurable objectives for increased travel and length of stay from Saskatchewan's best potential markets by the end of 1985, and identified marketing activities including advertising and direct sales to be undertaken to achieve those objectives.

Advertising and Promotional Support Activities

As an integral part of its tourism marketing program, a number of tourism advertising campaigns and promotional materials were developed and released.

A major in-province summer tourism campaign realized over 3,000 requests for more information, and 2,134 enquiry coupons were received from sportfishing enthusiasts in response to Saskatchewan advertisements in Canadian and US publications.

For the first time, advertising of Saskatchewan as a meetings/convention destination was undertaken in the Canadian and US markets.

Saskatchewan's adventure travel products were advertised in select markets in the USA in the first co-operative regional tourism advertising campaign. The "Adventureland Canada" campaign, with Saskatchewan, Alberta, Northwest Territories, Manitoba and Tourism Canada as partners, focused on fishing and other outdoor opportunities in the region.

Winter travel opportunities in the province were promoted to residents via radio and newspaper media. Respondents received the department's winter directory listing facilities, events and accommodation for winter recreation interests.

A three-projector audio-visual presentation, "Shine On Saskatchewan", was distributed through the Canadian Travel Film Program to centres in Canada, the U.S.A. and overseas. As well new film footage was acquired for tourism advertisments and future film requirements. Five television public service announcements (PSA) showing Saskatchewan summer tourism attractions were produced and released, and two winter PSAs were produced for future release.

Improvements were made to the 1984 travel literature series based on a review and evaluations of previous series, resulting in the introduction of an Accommodation Guide, an Outdoor Adventure Guide, a new Regional Attractions Guide and an Events brochure. A new publication "Where to Fish" was also produced. In addition, travel feature articles were prepared for future distribution to consumer and travel trade publications.

Direct Sales Activities

The department sold Saskatchewan's leisure travel products in a number of consumer travel shows during the year. The major shows attended included the Western Farm Progress Show, Regina; Buffalo Days Exhibition, Regina; Regina Sports Show; Colorado Boat, Sport, and Travel Show, Denver; Edmonton Sportsmen's Show; Saskatoon Sportsmen's Show; Toronto Sportsmen's Show; and the Minneapolis Sports Show.

A first-ever all-Saskatchewan adventure marketplace was held in Minnesota, a prime adventure market, in March. The department and 21 members from the Northern Saskatchewan Outfitters Association (NSOA) participated in this new concept for marketing Saskatchewan's fishing product. The marketplace generated over 1,000 visitors with projected sales of $250,000.

Group fishing sales missions to California, Colorado and Texas by the NSOA, the department, Frontier airlines and Saskatoon private sector representatives in January/February have resulted in increased fishing interest and an awareness of Saskatchewan as an adventure destination.

Product-testing and destination tours for travel trade representatives and influencers were again offered by the department in co-operation with Tourism Canada, airlines and the private sector to increase fishing/adventure travel traffic. Greater precision in the selection of influencers and travel trade has resulted in more return business from these contacts.

Business and Convention Promotion

During the year preparations were undertaken to produce Saskatchewan's first Meeting and Convention Facilities Guide. This publication will permit the department to disseminate facility information on a competitive basis with other provinces through trade shows, direct sales and direct marketing activities.

Package Tour Development

Pilot projects for a bear hunting package tour for fall, 1983 and spring, 1984 resulted in hunter traffic for the northern outfitters in the off-season periods. This package offers a northern wilderness adventure and assists the Department of Parks and Renewable Resources in managing the bear population.

Other adventure package tours that have been developed by the private sector with assistance from the department are dog sledding, goose hunting, wagon trekking and white water rafting.

The department worked with the local motorcoach companies and tour operators to encourage the development of tour packages offering one and multi-day motorcoach tours in the province. These operators made direct contact with senior citizen organizations to encourage this type of travel.

Travel Information

Tourism Saskatchewan

Major efforts were made during the year to increase tourism data on the computerized information system allowing for more complete travel publications. The number of tourism-related businesses on the system increased from 1,968 in 1982 to 3,126 in the 1983 calendar year.

The toll-free tourism inquiry telephone line was expanded from a seasonal to a year-round service within Saskatchewan, and was extended Canada-wide in January. Arrangements were made to extend the toll-free service into market states of Minnesota, Montana, North Dakota, South Dakota, and Wyoming for May, 1984.

Information Centre Network

Development work was undertaken during the year to establish a network of information centres throughout the province consisting of strategic government visitor information centres and those operated by cities and other communities. A new Counsellor Training Program was developed and delivered to staff from government-operated information centres and Western Development Museums.

A proposal was developed for the construction of four new strategic visitor information centres at the east and west entries of the Trans-Canada and Yellowhead Highways, which would give a strong, progressive image of the province. Approval was given this year for the construction of one new strategic information centre at Fleming on the Trans-Canada Highway at the Manitoba border. It is expected to be in operation by June, 1985.

Tourism Marketing Assistance Program

The Tourism Marketing Assistance Program (TMAP) was established in September to enhance tourism marketing initiatives of non-profit organizations. It provides assistance of up to a maximum of 50 per cent of the cost for new or additional promotional activities to attract visitors from outside a 100 kilometre radius of the location of the event or attraction. Tourist bureaux, chambers of commerce, cultural associations and other groups are eligible for support. At March 31, 20 projects qualified for assistance, totalling over $200,000.

Small Business

Small Business Employment Program

The Small Business Employment Program was created to address high unemployment and the problems faced by small business during the economic slowdown, by offering an incentive to small business for new job creation.

The program was open to all Saskatchewan-based businesses and profit oriented co-ops which had a net taxable income of $200,000 or less. Farming and construction industries were excluded.

Preliminary statistics as of March 31, 1984, indicate that 2,780 full-time jobs were created in 1,371 firms. These firms will be eligible for $12.785 million in payments between April 1 and September 30, 1984. Final statistics will be available September 30, 1984.

The basic criteria required all eligible jobs to be created between April 1, 1983 and August 31, 1984. Payments are made for each position which generates 12 months of continuous employment after the year has been completed.

Community Economic Development Program

The Community Economic Development Program became fully operational during the year, adding 20 new communities. The program is based on the assumption that through the joint action of residents, smaller communities can have a positive influence on their future development.

Development committees in 31 communities ranging in size from 700 to 5,000 participated in an economic development training program to give them a better understanding of the development process, and, in a series of planned activities, to assess the economic potential of their towns. The department expended $115,000 in the 31 communities during the year.

One of the activities under the program is the identification of potential new business opportunities. These, in turn, are promoted by the department through advertising in selected Canadian newspapers. A number of the communities have gained new commercial and professional services as a direct result of the program. As reported by committees, these are: more than 25 new businesses and services; and 23 businesses and services being negotiated.

New business starts and negotiations are also underway in the 20 towns added to the program in February.

The year also saw the development of community profiles for approximately 150 Saskatchewan communities. These profiles are widely distributed among both the private and public sectors, for use in community analysis.

Financial assistance was again offered to defray part of the cost of attendance by community representatives at the Economic Development Program sponsored by the Industrial Developers Association of Canada in Waterloo, Ontario. Grants in 1983/84 amounted to $3,500, enabling seven people to attend the course.

Product Development Management Program

This program commenced as a joint federal-provincial initiative to assist small manufacturers to manage the product development process effectively. Clients under the program receive assistance with various product development activities such as product design, building prototypes, developing production drawings, market research and development.

Program activities in Saskatchewan are delivered by the Saskatchewan Research Council. Funding is provided by this department and Design Canada, part of the federal Department of Industry, Trade and Commerce. Clients are obligated to contribute some of the costs of approved projects. Thirteen projects were completed with departmental disbursements of $57,378 in 1983/84 compared to nine projects costing the department $24,300 in 1982/83.

Business Information and Advisory Services

Advisory Services

Regional offices responded to a total of 7,110 requests for information or other assistance during the year. This represents a 20 per cent increase over last year, indicating increased interest in business opportunities in the province.

At the end of the year, the regional offices were working in-depth with 446 business clients in communities throughout the province. Sixty-one of these were businesses or situations where new employment was created, 88 were new businesses and 31 were expansion where there was potential for new employment.

The regional offices also assisted 348 business people to secure some form of financing through financial institutions or various government and other assistance programs.

The year was highlighted by the development of a concept for store-front Business Resource Centres in place of the traditional regional offices. To begin operation in the fall of 1984, these business resource centres will provide the business community with better accessibility to a large volume of business information as well as advisory services.

The centres will be staffed with experienced business consultants and will have libraries containing specific information on over 200 types of business as well as publications including the business guide "Starting a Business in Saskatchewan", specific self-help booklets, and other "how to" sector publications.

Business Information and Research

The initial task of the department was to take over the existing library from the former Department of Industry and Commerce. During the year, a centralized ordering system and mail handling procedure was developed, the rudiments of a business inquiry system were established, and tourism materials were integrated into the library. Activities to the end of the fiscal year involved the staffing of the Information Centre with a librarian, a research officer and a business inquiries officer.

Research activities, co-ordinated with the Tourism Development Branch, centred on the development of a tourism strategy and on negotiations for a joint five-year Federal/Provincial Tourism Industry Subsidiary Agreement. Travel industry surveys and studies resulted in the development of tourism-specific statistical data. As well, commercial opportunity profiles for six provincial recreation areas were identified. In addition, several publications directed to the small business sector were developed.

The small business perspective on several regulatory issues arising within the provincial government were presented to government. The department participated in an interdepartmental review process which resulted in the elimination of over 1,000 obsolete or outmoded regulations.

Management Assistance Program

The Management Assistance Program is intended to upgrade the management skills of small business owners and managers in Saskatchewan, and to encourage the growth of the province's small business consulting industry. Private, professional consultants are used to provide the consulting service. The program was introduced in the fall to three communities, and by year-end was delivered to 235 businesses in 10 communities.

Management Development Program

The department encourages Saskatchewan manufacturers to improve management expertise by providing financial assistance to attend courses which contribute to the improvement of required skills and knowledge. The program also allows the department and client to share the cost of engaging the services of a management consultant to identify and resolve specific management problems, when a manufacturer is experiencing difficulties. (See Table 1)

Commerce Student Consulting Program

The Commerce Student Consulting Program is a program of the College of Commerce of the University of Saskatchewan in co-operation with this department. The program operates during the summer months utilizing student consultants, under the supervision of the College of Commerce faculty, to provide assistance to small and medium-sized Saskatchewan businesses who would normally find it difficult to access business or management consulting services. The program also provides a useful learning experience for Commerce students, which improves their potential as professionals upon completion of their education.

Revenue to fund the program is generated from charges to the business clients for the consultant's time, with Tourism and Small Business making up the shortfall in total operating expenses. Twenty-nine projects, involving 10 students were completed in 1983/84, the same number as the previous year. In 1983/84 the department contributed $44,940 of the total program cost of $63,593, compared to $42,000 of the total $65,145 in the previous year.

Northern Business Development

Northern Advisory Services

Northern residents were assisted in their continued efforts to obtain financial services. An in-depth study was completed of the work done of the last 10 years, including an analysis of the lack of financial services and recommendations toward solving the problem.

Local outfitters were assisted in finding solutions to continued deficit problems in their operations. The branch organized the collection of outfitters' brochures and forwarded them to Regina for inclusion in the tourism literature distribution program.

Constant contact was maintained with the local business community and chambers of commerce to keep them informed of government programs available to them.

Northern Revolving Fund

The Revolving Fund is a mechanism established to provide commercial loans to residents of the Northern Administration District. The statutory limit of the Revolving Fund is $10 million. The amount available to lend at March 31, 1984 was approximately $4.7 million.

The Revolving Fund loan function was under review for the major portion of the year and was reactivated on January 1, 1984 to coincide with the realignment to Tourism and Small Business. The District Loans Committee, which can by regulation approve fishing and trapping regulations on commercial loans, approved 15 loans in the amount of $100,200 during the final three months of the fiscal year.

Collections for the fiscal year totalled $873,016.45. Implementaion of a new collections policy should place 1984/85 collections in the $1.6 million range.

The Board of Revenue Commissioners and Treasury Board authorized a write-off of 321 loans totalling $1.293 million effective March 31, 1984. This was the first write-off of any Revolving Fund receivables since the program's inception in 1973. Although these loans have been technically written off, subsequent collection action has resulted in five accounts totalling approximately $13,000 being repaid.

During the later part of the year, work was undertaken to streamline the procedures associated with the Revolving Fund. (See Table 2)

Business Development

Wild Rice - This year saw the completion of a long-term development strategy for the northern Saskatchewan wild rice industry. Expanded opportunities for processing and export marketing, controlled by the producers, was realized via the construction and opening of a processing plant in the La Ronge Industrial Park and the establishment of a marketing agency.

The wild rice program continued to grow. The 1983 harvest of 250,731 kilograms was an increase of 14,300 kilograms over the previous year. These totals would have been higher, were it not for high water and strong winds and rain at the peak of the harvest season. A new policy placed in effect in October, 1982, allowed residents who have lived 15 years or half their lifetime in the north to take out wild rice permits. A total of 1,325 permits were issued to 508 growers. Individual growers were allowed to grow rice on a maximum 405 hectares.

The department and the Saskatchewan Research Council worked jointly to improve wild rice production and harvesting techniques in northern Saskatchewan.

The branch commissioned 2 studies with the Saskatchewan Research Council on aquaculture planning and development. The studies dealt with trout hatchery and grow-out system for northern Saskatchewan. The purpose of the studies was to ascertain the feasibility of hatching and raising fingerlings in the north.

Hardwood Manufacturing - The potential for establishing a hardwood industry in the north was developed and analyzed by the department. A study was undertaken on grade recovery tests on select samples of aspen and pine. Hardwood samples in the La Loche and Buffalo Narrows regions were manufactured into household furnishings. Preliminary results are encouraging.

Special ARDA Program

Special ARDA (Agricultural Rural Development Agreement) is a joint federal-provincial program designed to provide financial assistance, management advice, training, counselling, and other services for projects which will provide jobs, increase income and improve living conditions for Indian and Metis people in rural areas of Saskatchewan.

With the expiry May 31, 1982 of the second five-year agreement with the federal government, negotiations were undertaken for a new contract with the Department of Regional Industrial Expansion. An extension of the Special ARDA Program was approved in September, 1982 which allowed for its continuance until March 31, 1984.

The department is responsible for administration of those projects classified as commercial undertakings.
(See Table 3)

New Program Initiatives

Marketing Benefits Program

In the first three months of operation, an awareness campaign outlining the Marketing Benefits Program was initiated through media advertising and production and distribution of department literature directed to resident businesspeople.

In addition, development commenced on an information base to identify the capabilities of Saskatchewan manufacturers, service, processing and supply sectors. The information will facilitate the demand requirements of buyers and project developers.

To influence attitudes in favour of purchasing Saskatchewan-made goods, a consumer campaign promoting Saskatchewan products and services was also undertaken. The post-campaign survey indicated positive changes in awareness levels and purchasing behaviour.

Venture Capital Program

A new venture capital program was researched and developed during the year by the department. The Venture Capital Program is intended to stimulate growth of the province's small business sector. It will provide provincial tax incentives to both individuals and corporations who are willing to invest in new or expanding small businesses engaged primarily in manufacturing and processing, tourism, and research and development. This program is to be implemented during the 1984/85 fiscal year.

Fixed Rate Financing Program

This program was developed to enable small businesses to obtain medium-term fixed interest rate loans to finance new or expanding operations. The loans will be available to eligible small businesses from lending institutions at interest rates fixed for up to five years. The program will be implemented in the next fiscal year.

Sunsetting Programs

Small Industry Development Program

This program which ended December 1, 1982 offered incentives for the establishment or expansion of small manufacturing and processing industries. Interest-free loans were provided which were forgiven over a two-year period, provided terms and conditions of a contractual agreement were met.

Over the five-year life of the program, a total of 442 projects were assisted resulting in an estimated increase in employment of 921, or an average of two jobs per project. The departmental contribution averaged $6,100 per project and provided an incentive to the manufacturing sector to increase capital expenditures over that period.

Analysis of the program has indicated that in 50 per cent of the cases, the projects would not have proceeded without the loan. A further 30 per cent of the cases would have had to modify their projects or would have seen the project delayed. The remaining 20 per cent of the projects would have proceeded; however, the loan proved to be of significant benefit to the project.

During fiscal year 1983/84 disbursements totalling $223,114 were made to finalize outstanding projects.
(See Table 4)

Product Development Program

Financial assistance was provided to Saskatchewan-based manufacturers and processors for the development of new products, to make changes or modifications to existing products, to develop new processes, or for mandatory testing required by regulatory agencies. Over the five-year life of the program ending December 1, 1982, industry expenditures averaged $15,370 on product development projects, to which the department contributed an average of $6,150. Innovations and modifications assisted under this program included agricultural implements and equipment, petroleum drilling and servicing equipment, electronic equipment, and construction industry equipment products.

Disbursements totalling $189,669 were made during fiscal year 1983/84 in respect to projects which were outstanding as of the termination date.
(See Table 5)

Small Business Interest Abatement Program

The purpose of this program was to stimulate small business investment in Saskatchewan by reducing the interest burden encountered by businesses when establishing, expanding or improving facilities. Businesses in Saskatchewan with annual sales less than $500,000 could apply for an abatement grant on business loans provided that eligibility criteria of the program were met. For businesses in communities of less than 6,000, the grant reduced the effective interest rate on loans by four per cent to a maximum of $500. In communities with more than 6,000 people, the effective interest rate was reduced by two per cent to a maximum of $250.

The program was ended on December 31, 1982. During fiscal year 1983/84 grants totalling $73,528 were issued to program clients for previously approved commitments.
(See Table 6)

Saskatchewan Main Street Development Program

The Main Street Development Program was designed as a five-year program to assist local business communities and municipal authorities to initiate and carry out an ongoing program of revitalization of community business districts. The department provided incentives to physically upgrade business premises in Saskatchewan's smaller centres, while upgrading public areas was assisted through incentives from Saskatchewan Urban Affairs. 1982/83 was the final year for receipt of applications.

Over the course of the program, a total of 4,960 business establishments in 241 communities were assisted in making exterior improvements to their premises. During the 1983/84 fiscal year, payout on approved commitments amounted to $229,826.
(See Table 7)

Administration

The relocation of department offices in December to the new Bank of Montreal Building, Regina was a major focus of department administration during the year.

Internal reorganization to meet the expanded services requirements of the newly created departments of Tourism and Small Business and Economic Development and Trade was undertaken.

An upgraded word processing system, shared with Economic Development and Trade, was installed; as well, the department's procedural manuals were completed.

Tables

Table 1 Management Development Program

	1983-84	1982-83	1981-82	1980-81	1979-80	1978-79
Applications Approved	10	37	35	36	40	21
Disbursements	$17,038	$25,096	$16,285	$25,266	$21,950	$13,049

Table 2 Northern Revolving Fund

	# Fishing	# Trapping	# Commercial	# Total	$ Total
Active	315	140	168	623	$ 5.157 million
Repaid	483	128	233	844	8.957 million
Repossessed	1	0	59	60	3.297 million
Written-Off	110	109	97	316	$ 1.280 million
Total	909	377	557	1,843	$18.691 million

Table 3 Special ARDA Program

	1983-84	1982-83	1981-82	1980-81	1979-80	1978-79
Applications Approved	27	1	56	36	17	13
Approved Grants- I&C and DREE	$ 596,160	$178,150	$2,098,855	$1,563,499	$ 533,019	$276,078
Total Expenditure by Applicants	$1,168,859	$440,770	$4,198,759	$1,870,324	$1,117,848	$554,325
Estimated Jobs Created	33	6	89	54	40	44

Table 4 Small Industry Development Program

	1982-83	1981-82	1980-81	1979-80	1978-79
Applications Approved	90	117	79	91	65
Total Loans Approved	$499,565	$563,328	$442,492	$674,601	$517,944
Total Expenditure by Applicants	$3,042,686	$4,230,636	2,911,796	$3,402,396	$2,777,607
Estimated Jobs Created	149	256	136	204	176

Table 5 Product Development Program

	1982-83	1981-82	1980-81	1979-80	1978-79
Applications Approved	60	41	36	29	36
Total Grants Approved	$367,817	$223,488	$248,047	$202,219	$200,837
Total Expenditure by Applicants	$855,063	$590,058	$611,273	$521,606	$526,256

Table 6 Small Business Interest Abatement Program

	1982-83	1981-82	1980-81	1979-80	1978-79
Applications	379	807	439	490	590
Abatement Grants Approved	$179,870	$305,020	$157,160	$240,660	$228,530

Table 7 Main Street Development Program

	Five-Year Total	1982-83	1981-82	1980-81	1979-80	1978-79
Number of Communities	241	52	28	71	76	14
Total Grant Commitment by I & C	$ 3,745,208	$ 679,278	$ 353,361	$1,060,569	$1,400,000	$252,000
Estimated Total Value of Improvements	$11,687,978	$1,987,622	$1,017,806	$3,221,550	$4,820,000	$641,000

Financial Statement

Expenditures 1983/84

Administration	$1,524,323
Regional Services	1,159,578
Community Business Development	155,418
Saskatchewan Marketing Benefits	67,378
Northern Economic Development	360,915
Productivity Development	90,872
Tourism Development	615,110
Marketing and Promotion	1,277,720
Communications	9,340
Information Centres	128,169
Grants for General Business and Industrial Promotion	227,353
Employment and Development Programs	94,407
Small Industry Development Program	223,114
Industrial Technical Assistance Program	264,085
Mainstreet Program	229,826
Small Business Interest Abatement Program	73,528
Grants for Tourism Development	154,302
Grants for Northern Economic Development	21,642
To provide for a net expenditure (recovery) of (from) the Northern Saskatchewan Economic Development Revolving Fund (statutory)	(1,721,709)
TOTAL	$4,955,371